

## REGIONAL CUSTOMER SERVICE BENEFITS ALL PERF FUNDS

**B**efore this year, when PERF members needed individual, face-to-face help from PERF, they had one option: drive to Indianapolis. Today, a new customer service approach launched by PERF in May reaches both members and employers in the communities where they live and work, throughout Indiana. This includes members of each of the six pension funds administered by PERF.

With the new regional approach to customer service, four retirement services consultants have been deployed to four regions in the north, central and south of the state. These consultants assist employers with their interaction with PERF, and meet members to answer questions regarding their retirement plan.



**Gov. Mitch Daniels**

Indiana Gov. Mitch Daniels recognized PERF's efforts to expand customer service. "This initiative clearly recognizes the importance of serving PERF's customers where they live and work," he said.

PERF Executive Director Terren B. Magid noted the new regional approach is part of an ongoing customer service initiative. "This new division represents our continued effort to improve service to our customers, whether members or employers," he said. "We serve more than 200,000 members and 1,200 employers throughout Indiana. We felt it was important that our face-to-face customer service reflected that statewide commitment."

The new retirement services consultants have found a warm welcome from 77 Fund members and their employers. The Town of Fishers recently called on Jennifer Lowery, PERF's central region retirement services consultant, to conduct benefit meetings for their police and fire work force.

"We usually try to have PERF out once a year especially for new employees, but it's also good to remind long-standing employees of how their PERF benefit works," said Aimee Ector, Town of Fishers human resources assistant.

According to Ector, many members have the same frequently asked questions: "When can I retire?", "How much money will I get?" and "If I am vested here and then quit, will I still receive my benefits when I reach retirement age?"



**Terren B. Magid**



### More Account Data Provided in Annual Member Statement

Revised Annual Member Statements provide additional details for members of the 1977 Police Officers' and Firefighters' Pension and Disability Fund. Recently mailed out, the new version presents all account information currently on file at PERF.

Information on the statement includes date of birth, total years of service and current beneficiaries. Previously, statements listed name, address, current employer and account balance only.

"The Annual Member Statement provides members with their most up-to-date PERF account information. We want them to have all of the necessary tools to help them make the best decision regarding retirement," said PERF Executive Director Terren B. Magid.

PERF, your employer and you share responsibility for keeping your account information correct. This includes your employment history, beneficiary information and personal address. If you have questions or change requests, please contact us at [questions@perf.in.gov](mailto:questions@perf.in.gov) or call toll-free at (888) 526-1687.

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# Member's Corner

## Managing Risk in Tough Times

### PERF's Diversification of Investments is Key Strategy

Ongoing news reports regarding the stock market and the struggles of financial firms such as Lehman Brothers, Merrill Lynch, and AIG have caused concern for investors worldwide. This includes many members of the Indiana Public Employees' Retirement Fund (PERF).

While no investor, large or small, is immune from this market downturn, PERF members can be assured that the fund's management has, for years, been prepared for the difficult market conditions we face today.

While the stock market was booming in 2006, PERF's investment professionals were certain of one thing ... neither booms nor downturns last forever. So while PERF investment returns topped 17.8 percent and assets under management rose to more than \$17 billion, PERF's management and board of trustees were implementing an asset allocation designed to protect the portfolio from market downturns.

"The idea is that when one type of investment, such as public equity, is down, other types of investments may be stable or even up," said PERF Executive Director Terren Magid. "While we're not immune from difficult markets, this long-term approach to investing is aimed at insulating our investments from major swings, up or down, in the market."

### Asset Allocation:

*The process of diversifying investments among different types of assets, such as stocks, bonds, and cash, to optimize the trade-off between investment risks and rewards.*

"These changes and consolidations in the financial sector are not unexpected," said PERF's Chief Investment Officer Shawn Wischmeier. "With about 65 percent of our portfolio in the public equity market, we will feel an impact. However, our overall asset allocation is designed to manage this sort of risk through diversification to mitigate the overall impact on the fund."

### What is PERF doing now?

Armed with a strong plan for difficult market times, PERF's investment staff is actively and closely watching each development in the market and assessing its impact on the investment portfolio. The team is not "day trading" or "playing the market," but relying on a prudent long-term investment strategy focused on managing risk through diversification.

### What should I do?

Investment professionals uniformly extol the virtues of a long-term approach to investing with an appropriately-diversified

asset allocation. If this market downturn has caught you without a clear approach to your retirement investing, this may be a good time to seek out a professional financial advisor to help you get started on a personal retirement plan.

### Is PERF in solid shape?

The fund's prudent asset allocation noted above reflects PERF's status as a solid retirement system with an overall funded status of 99.8 percent at the start of the fund's 2008 fiscal year. A key measure of pension plan health, funded status is the ratio that measures actuarial plan assets to actuarial liabilities.

"This solid funded status means we can focus on a prudent approach to investing, rather than seeking the types of investment returns that bring a high level of risk to a portfolio," said Magid. "We take very seriously our responsibility to protect the funds that provide well-earned retirement benefits to our members."

## Free Seminar for Pension Secretaries

### Focus on 1977 Police Officers' and Firefighters' Pension and Disability Fund

The Indiana Public Employees' Retirement Fund (PERF) is offering a free seminar to pension secretaries, controllers, clerk-treasurers and trustees who interact with PERF's 1977 Police Officers' and Firefighters' Pension and Disability Fund.

The annual event will be held Dec. 12 from 11 a.m. to 4 p.m. in Indianapolis and will provide attendees information on new legislation and rules affecting the fund, new processes and forms, and an opportunity to ask questions regarding the fund or PERF. Pension secretaries are appointed by local pension boards.

A mailing with more information will be sent to pension secretaries, controllers, clerk-treasurers, and trustees who interact with PERF's 1977 Police Officers' and Firefighters' Pension and Disability Fund.

For more information, contact PERF toll-free at (888) 526-1687 or by e-mail at [questions@perf.in.gov](mailto:questions@perf.in.gov).



**Q:** *A friend of mine was killed while on active duty in the military. What benefits are available to family members of the 1977 Police Officers' and Firefighters' Pension and Disability Fund?*

**A:** A \$12,000 lump sum death benefit is available. In addition, the spouse will receive a monthly benefit amount of 60 percent of the fund member's benefit amount which will be calculated based on years of service and age. If the member did not have at least 20 years of service or was not at least 52 years of age, the benefit will be computed as if the member was 52 years old with 20 years of service. Each of the member's surviving children will receive 20 percent of the fund member's benefit until the age of 18 or 23 under certain circumstances. If there is no surviving spouse or any eligible children, dependent parent(s) will receive 50 percent of the member's benefit payable for the lifetime of the parent(s).

## Regional Customer Service Benefits all PERF Funds, cont.

Tommie Wilson, PERF's Indianapolis region retirement services consultant, met with several police officers and members of the Town of Zionsville Fire Department for a benefits fair. With the help of her laptop computer, she was able to answer questions and calculate and explain benefit estimates to members.

Wilson noted the group's reaction during the fair. "They were all very pleasant and extremely pleased to be able to receive answers to their questions as well as view their information on-the-spot," she said.

Consultants assist employers with their interaction with PERF, and meet members in groups or individually to educate them on retirement and their benefits. Since the launch of this new customer service division in May, Lowery has conducted a total of six meetings with the Town of Fishers police and fire staff, which includes their satellite fire stations. Wilson's first one-on-one meeting with 77 Fund members was with the Town of Zionsville.

Retirement services consultants are assigned to one of four regions in the state. To arrange a meeting in your area, contact PERF toll-free at (888) 526-1687 or visit PERF Online at [www.perf.in.gov](http://www.perf.in.gov).



## PAY ATTENTION TO PERF!

### How To Change Name, Address or Beneficiary Information:

- Visit [www.perf.in.gov](http://www.perf.in.gov), select **Member Login** to register for PERF Online.
- Get a copy of the appropriate form online at [www.perf.in.gov](http://www.perf.in.gov) under "Member Forms" or call (888) 526-1687 to request the form. Complete the form AND sign it. Fax or mail it to PERF.

## PERF's Mission:

**We are committed to serve — through exceptional customer service — our employers, our members and their families, in achieving their retirement goals and financial security.**



**Governor Mitch Daniels**

**Executive Director Terren B. Magid**

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